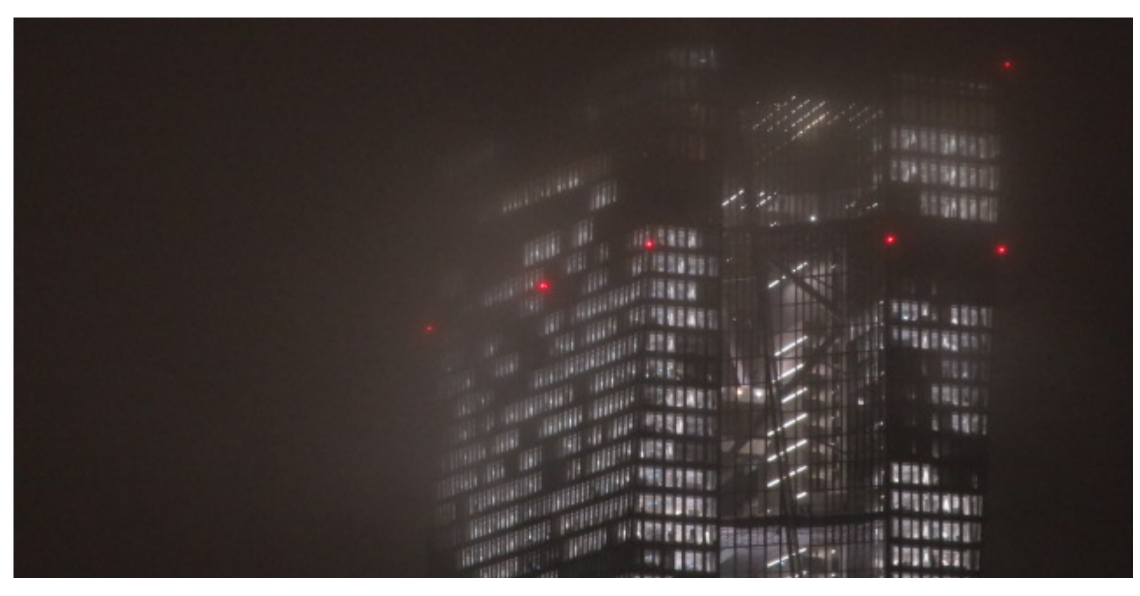






JOHN MILIOS 2016-11-21

# FINANCIAL INNOVATION AND CONFLICT IN HETERODOX THINKING: THE PERSISTENT SURVIVAL OF THE LABOUR THEORY OF VALUE AND ITS CRITIQUE

ECONOFICTION CAPITAL, MARX, MARXISM, MONEY

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**Short description**: When does a theory really die? In the history of economic thought, it is rather common to assume that the labour theory of value ceased to exert any significant influence on the mainstream economic thinking after Ricardo 's death. It is also widely argued that the labour theory served as the base of Marx's theoretical argumentation. We believe that both of the above assumptions are equally wrong. In order to understand this reasoning we need to notice that despite the defeat of the labour theory as a theory of price first, social relations that characterize capitalism are conceived of as extrinsic to labour itself; second, the specificity of labour in capitalism is to be found in the way in which it is distributed. This problematic survived and underpinned the approaches of Veblen and Keynes of the structure the contend that financial innovations benefit the group of ‚absentee' owners imposing ‚sabotage' on the production of use values. On the contrary, Marx's intervention falls out with the framework of labour theory and provides a striking different explanation of modern financial phenomena shifting the emphasis from the sphere of circulation to that of organization of capitalist power relations (production). The essential point is that the Keynesian – like literature is incapable of understanding the essence of contemporary ‚financialized' capitalism precisely because of its failure to understand capital.

**Keywords:**

Marx, Keynes, Veblen, labour theory of value, financialization, fetishism.

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